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C O N F I D E N T I A L SECTION 01 OF 02 MANILA 000081

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SUBJECT: PRESIDENT ARROYO SET TO CONVENE "COUNCIL OF STATE"
MEETING TO DISCUSS "NATIONAL ISSUES" WITH NOTABLES

REF: 05 MANILA 5965

Classified By: Acting Political Counselor Joseph L. Novak for
reasons 1.4(b) and (d).

1. (C) Summary: President Arroyo plans to convene a "Council of State" meeting on January 24. The meeting, the first of its kind in many years, would involve government personalities and other notables in a discussion of "national issues." Opposition figures are being invited to the meeting, but it is not clear whether they will attend. Key officials of President Arroyo's Lakas Party are set to meet January 14 to discuss the way forward on Constitutional change and other issues. In yet another important January meeting, Catholic Bishops plan to hold one of their semi-annual meetings, January 24-27. No one is expecting the "Council of State" meeting to result in any dramatic initiatives. End Summary.

Convening a "Council of State"

2. (SBU) President Arroyo is expected to convene her administration's first "Council of State" meeting on January 24 to discuss pressing "national issues." Gabriel "Gabby" Claudio, President Arroyo's chief political adviser, told reporters at a January 4 press conference that the convening of the Council (which is allowed for by executive order -- see below) "is consistent with President Arroyo's desire for national unity and her efforts to reach out to various segments of society." The meeting would be chaired by President Arroyo. Vice President Noli de Castro, key members of Congress (both pro-government and Opposition), former presidents of the Philippines, and some local officials are being invited to attend. Other well-known Filipinos may also be invited to attend at the President's discretion. When asked about the reason the meeting was being called, Cabinet Secretary Ricardo Saludo told Acting Pol/C that "the

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President thinks it is a good time to discuss national rejuvenation."

3. (C) As of January 6, it was unclear whether such Opposition luminaries as former president Corazon Aquino, Senate President Franklin Drilon, and minority leaders in both houses of Congress would attend. Saludo told Acting Pol/C that Malacanang "did not know whether the Opposition would attend, but we will make the effort." Acting Pol/C asked about former president Joseph "Erap" Estrada, who remains under house arrest while he is tried on serious corruption charges. Saludo replied that "the issue of possible participation by Erap has yet to be fully settled."

4. (SBU) Background: The "Council of State" concept was created by President Aquino, who called several meetings of the body during her 1986-92 term of office. (Note: President Marcos also held several meetings which he referred to as "Council of Leaders Summits." End Note.) Former presidents Ramos and Estrada never convened a Council meeting during their terms. President Arroyo's Executive Order No. 168, dated January 16, 2003, reconstituted the makeup of the Council. In the original 1987 (Aquino) version, the Council consisted of the President, Vice President, President of the Senate, Speaker of the House, the Executive Secretary, the Secretary of National Defense, the Chief of Staff of the

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Armed Services, all members of Congress, the Cabinet and select members of the private sector. The 2003 reconstitution limits the members of Congress that are invited (only key Congressional leaders in the current version) and does not specifically mention the Chief of Staff of the Armed Services, but adds various local officials.

Lakas To Meet

5. (C) Key officials of President Arroyo's Lakas Party, the largest single party in the House and the Senate, are also set to meet January 14 to discuss the way forward on

Constitutional change and other issues. (Note: See Ref a for details on the ongoing debate over Constitutional change. End Note.) Party President and Speaker of the House Jose de Venecia is expected to chair the meeting (Arroyo is honorary party chairperson and probably will not attend). Saludo told Acting Pol/C that Malacanang hoped that the meeting would set Lakas' policy and legislative agenda for 2006. Saludo confirmed that KAMPI, a strongly pro-administration party, would not attend the Lakas function, despite continued reports that Lakas and KAMPI may unite into one entity. (Note: Former president Fidel V. Ramos, Lakas Chairman Emeritus, has been invited to participate in the meeting. There have been ongoing press reports of friction between Ramos and Malacanang, and it is not clear whether Ramos will attend. End Note.)

Catholic Bishop's Meeting

16. (C) In a January 6 meeting with Acting Pol/C, Archbishop Angel Lagdameo, the new head of the Catholic Bishop's Conference of the Philippines (CBCP), confirmed that the CBCP would be holding one of its semi-annual plenary meetings from January 24-27 in Manila. Lagdameo said the meeting would focus on "spiritual and contemplative" issues. He added that the group would review a statement the CBCP made in July 2005 on the domestic political situation. (Note: Though critical of Malacanang, the statement was particularly noteworthy because it did not call for President Arroyo to resign despite many calls for her to do so at that time. Many observers believe that Arroyo may have had to resign if the CBCP had called for her to do so. End Note.) Lagdameo indicated that the CBCP probably would not decide to update the July 2005 statement and make one harsher toward Arroyo, though the group might renew its call for "clean government" and "pro-poor policies."

Comment

17. (C) No one is expecting the "Council of State" meeting to result in any dramatic initiatives. The Opposition is bound to criticize it and may well boycott it. That said, President Arroyo is at least making the effort to reach out, which is positive. Malacanang is probably watching the CBCP plans for a meeting warily. It knows that a change in the Catholic Church's basically neutral posture on political issues could undermine the administration. There is little sign of that happening based on Lagdameo's comments and our other soundings, though CBCP meetings are private affairs and their outcomes notoriously difficult to predict.

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